

Readiness For Entrepreneurship

TOOLS FOR ENERGIZING ENTREPRENEURSHIP

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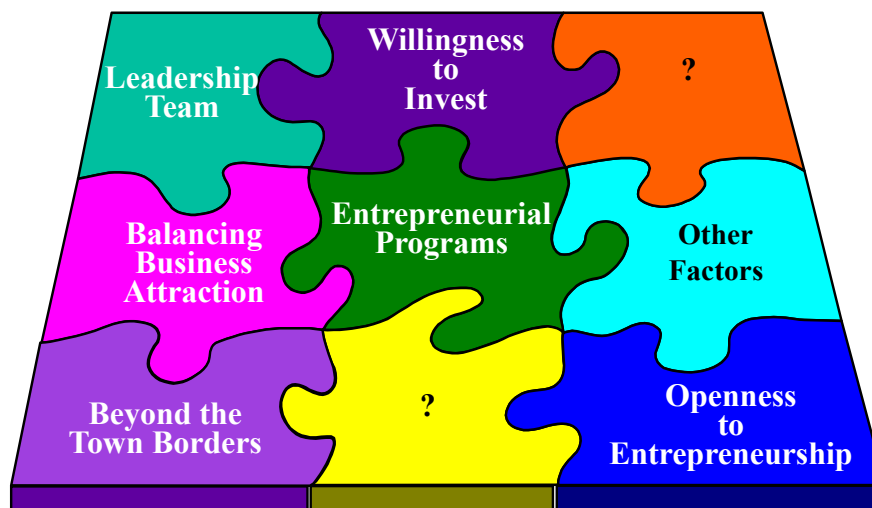
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BACKGROUND AND INTRODUCTION

Area economies with high rates of entrepreneurship typically have strong economic performance and higher levels of prosperity. Communities that build strong entrepreneurship environments energize local entrepreneurs and are more attractive to outside entrepreneurs looking for a good place to grow an enterprise. However, many communities that are just beginning to recognize the value of entrepreneurship ask the following questions. How can we craft an appropriate strategy around entrepreneurship? Do we, as a community, have the necessary ingredients to encourage entrepreneurship? And, who are entrepreneurs and what is entrepreneurship?

Entrepreneurs are people who create and grow ventures. All entrepreneurs must be successful business people, but not all business people are entrepreneurs. Many business people run great businesses, but they are not motivated or lack the skills to grow businesses and create new enterprises. An entrepreneurship strategy focuses on those business people who are entrepreneurs or can become entrepreneurs. While entrepreneurs may create new enterprises for a variety of reasons—self-sufficiency, lifestyle, necessity, desire for wealth—they have at least one thing in common. They are all motivated to turn ideas into new business ventures.

Figure 1 - Community Readiness Factors



COMMUNITY ENVIRONMENT FOR ENTREPRENEURSHIP

Entrepreneurs do not operate in a vacuum. Their success depends to some extent on the community environment that may support, or in some cases, hinder their ability to grow and prosper. Your community's first step in implementing an entrepreneurship program is to assess how well the community currently supports its entrepreneurs. Through fieldwork sponsored by the Center for Rural Entrepreneurship, we have identified six *readiness factors* that can determine whether a community can build a successful entrepreneurship-based economic development program. These questions can be addressed as part of a focus group of community leaders and residents who have an interest in entrepreneurship.

COMMUNITY READINESS FACTORS

- **Openness to Entrepreneurship.** Is the community open to exploring entrepreneurship as an economic development strategy? Central to such a commitment is the firm belief that within your community there are entrepreneurs who can create a new generation of successful businesses and there are service providers and community leaders willing to help them achieve success.
- **Balancing Business Attraction.** Does the community balance a traditional economic development approach with a focus on local businesses and on energizing entrepreneurs to create and build homegrown enterprises? For 50 years, the mainstay economic development strategy has been business attraction, particularly the search for industries. Supporting entrepreneurship requires a willingness to broaden the economic development strategy beyond the traditional recruitment model.
- **Entrepreneurship Programs.** Has your community had experience with entrepreneurship programs already? Check any of the following entrepreneurial programs that your community has experience with, either currently or in the past:

- ☐ Networking infrastructure for entrepreneurs
- ☐ Mentoring programs for entrepreneurs
- ☐ Efforts to improve business services for entrepreneurs
- ☐ Microlending or other business financing services
- ☐ Entrepreneurial training such as Edge
- ☐ Business counseling services
- ☐ Other programs specific to your community

Most rural communities have limited experience with entrepreneurial programs. So do not assume you cannot create an entrepreneurial development strategy if your experience with these kinds of programs is limited. What is most important is a willingness to develop and support these kinds of activities.

- **Leadership Team.** Can your community create a team that will work on an entrepreneurial strategy? To be successful, a community needs a core leadership team committed to building and supporting an entrepreneurship program. Remember as Margaret Mead once said, *Never forget that a small and committed band of citizens can change the world. Indeed it is the only thing that ever has.*

- **Willingness to Invest.** A rural community with 1,000 residents will likely generate a \$150 million economy. If your community were a company with a \$150 million operation, how much would you invest annually to ensure your competitiveness? While rural communities can run on volunteers, successful economic development programs need staff and dollars to support services and programs. The community must be willing to invest in an entrepreneurship program.
- **Beyond the Town Borders.** Is your community willing to create partnerships with other area communities to find the human and financial resources to be in the economic development game? We in Rural America love our small towns. We value places where we know our neighbors. But in today's competitive world, we must collaborate to create enough size to support effective economic development strategies.

COMMUNITY READINESS FACTORS

You may want to rank your community on each *readiness factor* using a 1-5 scale, where 1 is a limited degree of readiness and 5 is a high degree of readiness. This exercise is useful in terms of identifying areas that may need to be strengthened as the community pursues an entrepreneurship development strategy.

Score Card:

Not Ready \longleftrightarrow Very Ready

Factor 1 - Openness to Entrepreneurship	1	2	3	4	5
Factor 2 - Balancing Business Attraction	1	2	3	4	5
Factor 3 - Entrepreneurship Programs	1	2	3	4	5
Factor 4 - Leadership Team	1	2	3	4	5
Factor 5 - Willingness to Invest	1	2	3	4	5
Factor 6 - Beyond Town Borders	1	2	3	4	5

Overall Score _____ (circle & sum)

Understanding the Score

- 1-5 Weak Score - Little Readiness - Capacity Building Required
- 6-10 Soft Score - Some Readiness - Gap Filling Necessary
- 11-15 Good Score - Readiness Present - Build on Assets
- 16-20 Good Score - Readiness Present - Build on Assets
- 21-25 Strong Score - Considerable Readiness - Energize Your Entrepreneurs

FOR MORE INFORMATION

If you have questions about this tool, you may contact the Center for Rural Entrepreneurship Co-Directors:

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We would like to keep track of how this tool is used in communities across the country. If you plan to use this information in your community, please contact Taina Radenslaben at taina@ruraleship.org.

FOUNDING PARTNERS

The Ewing Marion Kauffman Foundation and its partners look beyond need to identify and develop pivotal opportunities to help create successful businesses and improve the education of children in Kansas City and nationwide. Established in the mid-1960s by the late entrepreneur and philanthropist Ewing Marion Kauffman, the Kauffman Foundation works to advance entrepreneurship by reaching individuals of all ages through the delivery of entrepreneurship education and development, and the promotion of an entrepreneurial environment. For more information about the Kauffman Foundation, visit www.emkf.org.

The Rural Policy Research Institute (RUPRI) is the only national policy institute in the U.S. focusing solely upon the rural implications of public policy. This comprehensive approach to rural policy analysis involves scientists from universities, research institutions, governments, and non-governmental organizations. To date, more than 200 scientists representing 16 different disciplines in 80 universities, 40 states, and three countries have participated in RUPRI projects. Additional information on RUPRI can be found at www.rupri.org.

RESOURCES

Tool #1, Readiness for Entrepreneurship
Tool #2, Outcome Measurement for an Entrepreneurial Economy
Tool #3, Understanding Entrepreneurial Talent
Tool #4, Entrepreneur Quick Test
Tool #5, Entrepreneur Self-Test
Tool #6, Rural Community & Entrepreneurship Survey
Tool #7, Rural Entrepreneur Survey
Tool #8, Tourism Related Visitation Protocol
Tool #9, Transfer Business visitation Protocol
Tool #10, Growth Business Visitation Protocol
Tool #11, Community Entrepreneurship Guide (under construction)

ABOUT THE CENTER

The ***Center for Rural Entrepreneurship*** is new. It is an outgrowth of the ***Rural Entrepreneurship Initiative***. The Center is a RUPRI National Research and Policy Center with founding support from the Ewing Marion Kauffman Foundation of Kansas City, Missouri.

Our mission is to enable every rural resident to achieve his or her full entrepreneurial potential. This mission will be achieved by collaborating with individuals and organizations engaged in the study, practice and policy of rural entrepreneurship.

The Center supports research, field work, and policy development through collaborations with national, state, and local interests. For more information on the ***Center for Rural Entrepreneurship***, check out our web site at www.ruraleship.org or call Taina Radenslaben at 402-323-7336.